

110TH CONGRESS  
1ST SESSION

# H. R. 2480

To amend the Internal Revenue Code of 1986 to suspend the Federal motor fuel excise taxes until the average price of unleaded gasoline is below \$3 per gallon for at least 6 months.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2007

Mr. HILL (for himself and Mrs. BOYDA of Kansas) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to suspend the Federal motor fuel excise taxes until the average price of unleaded gasoline is below \$3 per gallon for at least 6 months.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Gas Price Relief Act  
5 of 2007”.

1 **SEC. 2. TEMPORARY SUSPENSION OF MOTOR FUEL TAXES.**

2 (a) IN GENERAL.—Section 4081 of the Internal Rev-  
3 enue Code of 1986 (relating to imposition of tax on gaso-  
4 line, diesel fuel, and kerosene) is amended by adding at  
5 the end the following new subsection:

6 “(f) TEMPORARY SUSPENSION OF TAXES.—

7 “(1) IN GENERAL.—During the suspension pe-  
8 riod, each rate of tax referred to in paragraph (2)  
9 shall be zero.

10 “(2) RATES OF TAX.—The rates of tax referred  
11 to in this paragraph are the rates of tax otherwise  
12 applicable under—

13 “(A) paragraphs (1), (2), and (3) of sec-  
14 tion 4041(a) (relating to retail taxes on diesel  
15 fuel, special motor fuels, and compressed nat-  
16 ural gas),

17 “(B) section 4041(d) (relating to addi-  
18 tional taxes to fund Leaking Underground Stor-  
19 age Tank Trust Fund),

20 “(C) section 4041(m) (relating to certain  
21 alcohol fuels),

22 “(D) clauses (i) and (iii) of subsection  
23 (a)(2)(A) (relating to gasoline, diesel fuel, and  
24 kerosene), and

1           “(E) subsection (a)(2)(B) (relating to  
2           Leaking Underground Storage Tank Trust  
3           Fund tax).

4           “(3) EXCEPTIONS.—Paragraph (1) shall not  
5           apply to—

6           “(A) any tax imposed by section 4041 on  
7           fuel sold for use or used in a train or motor-  
8           boat, and

9           “(B) any tax imposed by section 4081 on  
10          gasoline or kerosene used for aviation.

11          “(4) SUSPENSION PERIOD.—For purposes of  
12          this subsection, the term ‘suspension period’ means  
13          the period beginning on the date of the enactment  
14          of this subsection and ending on the last day of the  
15          first period of 6 consecutive months beginning after  
16          such date that the national average price of un-  
17          leaded regular gasoline is less than \$3.00 per gallon  
18          (as determined under section 6 of the Gas Price Re-  
19          lief Act of 2007).

20          “(5) MAINTENANCE OF TRUST FUND DEPOS-  
21          ITS.—In determining the amounts to be appro-  
22          priated to any trust fund, an amount equal to the  
23          reduction in revenues to the Treasury by reason of  
24          a reduction under this subsection in any rate shall

1 be treated as taxes received in the Treasury under  
2 such rate.”.

3 (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall take effect on the date of the enactment  
5 of this Act.

6 **SEC. 3. REPEAL OF EXPENSING FOR CERTAIN REFINERIES.**

7 (a) IN GENERAL.—Section 179C of the Internal Rev-  
8 enue Code of 1986 (relating to election to expense certain  
9 refineries) is hereby repealed.

10 (b) TECHNICAL AMENDMENTS.—

11 (1) Section 1245(a) of such Code is amended  
12 by striking “179C,” each place it appears.

13 (2) Section 263(a)(1) of such Code is amended  
14 by adding “or” at the end of subparagraph (H), by  
15 striking “, or” at the end of subparagraph (I) and  
16 inserting a period, and by striking subparagraph  
17 (J).

18 (3) Section 312(k)(3)(B) of such Code is  
19 amended by striking “179B, or 179C” each place it  
20 appears in the heading and the text and inserting “,  
21 or 179B”.

22 (4) The table of sections for part VI of sub-  
23 chapter B of chapter 1 of such Code is amended by  
24 striking the item relating to section 179C.

1       (c) TRANSFER OF EQUIVALENT TAX LIABILITY TO  
2 HIGHWAY TRUST FUND.—There are hereby appropriated  
3 to the Highway Trust Fund amounts equivalent to the ag-  
4 gregate net increase in tax liabilities under chapter 1 of  
5 the Internal Revenue Code of 1986 which is attributable  
6 to the repeal of section 179C of such Code by subsection  
7 (a). Such appropriated amounts shall be transferred from  
8 the general fund of the Treasury on the basis of estimates  
9 of such tax liabilities made by the Secretary of the Treas-  
10 ury. Transfers shall be made pursuant to a schedule made  
11 by the Secretary of the Treasury that takes into account  
12 estimated timing of collection of such liabilities. Proper  
13 adjustments shall be made in amounts transferred to the  
14 extent prior estimates were in excess of or less than the  
15 amounts required to be transferred.

16       (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to property placed in service after  
18 the date of the enactment of this Act.

19 **SEC. 4. FLOOR STOCK REFUNDS.**

20       (a) IN GENERAL.—If—

21               (1) before the date of the enactment of this  
22 Act, a tax referred to in section 4081(f)(2) of the  
23 Internal Revenue Code of 1986 has been imposed on  
24 any liquid, and

1           (2) on such date such liquid is held by a dealer  
2           and has not been used and is intended for sale,  
3           there shall be credited or refunded (without interest) to  
4           the person who paid such tax (hereafter in this section  
5           referred to as the “taxpayer”) an amount equal to the ex-  
6           cess of the tax paid by the taxpayer over the amount of  
7           such tax which would be imposed on such liquid had the  
8           taxable event occurred on such date.

9           (b) TIME FOR FILING CLAIMS.—No credit or refund  
10          shall be allowed or made under this section unless—

11           (1) claim therefor is filed with the Secretary of  
12          the Treasury before the date which is 6 months  
13          after the date of the enactment of this Act, and

14           (2) in any case where liquid is held by a dealer  
15          (other than the taxpayer) on the date of the enact-  
16          ment of this Act—

17           (A) the dealer submits a request for refund  
18          or credit to the taxpayer before the date which  
19          is 3 months after such date, and

20           (B) the taxpayer has repaid or agreed to  
21          repay the amount so claimed to such dealer or  
22          has obtained the written consent of such dealer  
23          to the allowance of the credit or the making of  
24          the refund.

1       (c) EXCEPTION FOR FUEL HELD IN RETAIL  
 2 STOCKS.—No credit or refund shall be allowed under this  
 3 section with respect to any liquid in retail stocks held at  
 4 the place where intended to be sold at retail.

5       (d) DEFINITIONS.—For purposes of this section, the  
 6 terms “dealer” and “held by a dealer” have the respective  
 7 meanings given to such terms by section 6412 of such  
 8 Code; except that the term “dealer” includes a producer.

9       (e) CERTAIN RULES TO APPLY.—Rules similar to the  
 10 rules of subsections (b) and (c) of section 6412 of such  
 11 Code shall apply for purposes of this section.

12 **SEC. 5. FLOOR STOCKS TAX.**

13       (a) IMPOSITION OF TAX.—In the case of any taxable  
 14 liquid which is held on the floor stocks tax date by any  
 15 person, there is hereby imposed a floor stocks tax equal  
 16 to the excess of the tax which would be imposed on such  
 17 liquid under any section of the Internal Revenue Code of  
 18 1986 referred to in section 4081(f)(2) of such Code had  
 19 the taxable event occurred on the floor stocks tax date over  
 20 the tax paid under any such section on such liquid.

21       (b) LIABILITY FOR TAX AND METHOD OF PAY-  
 22 MENT.—

23               (1) LIABILITY FOR TAX.—A person holding a  
 24 liquid on the floor stocks tax date to which the tax

1 imposed by subsection (a) applies shall be liable for  
2 such tax.

3 (2) METHOD OF PAYMENT.—The tax imposed  
4 by subsection (a) shall be paid in such manner as  
5 the Secretary shall prescribe.

6 (3) TIME OF PAYMENT.—The tax imposed by  
7 subsection (a) shall be paid on or before the date  
8 which is 6 months after the floor stocks tax date.

9 (c) DEFINITIONS.—For purposes of this section—

10 (1) HELD BY A PERSON.—A liquid shall be con-  
11 sidered as “held by a person” if title thereto has  
12 passed to such person (whether or not delivery to  
13 the person has been made).

14 (2) TAXABLE LIQUID.—The term “taxable liq-  
15 uid” means any liquid on which a tax referred to in  
16 section 4081(a)(2) of such Code is imposed on the  
17 floor stocks tax date.

18 (3) FLOOR STOCK TAX DATE.—The term “floor  
19 stocks tax date” means the first day after the sus-  
20 pension period (as defined in section 4081(f)(4) of  
21 such Code).

22 (4) SECRETARY.—The term “Secretary” means  
23 the Secretary of the Treasury or the Secretary’s del-  
24 egate.



1 (d) EXCEPTION FOR EXEMPT USES.—The tax im-  
2 posed by subsection (a) shall not apply to taxable liquid  
3 held by any person exclusively for any use to the extent  
4 a credit or refund of the tax imposed by a section of the  
5 Code referred to in section 4081(a)(2) of such Code is al-  
6 lowable for such use.

7 (e) EXCEPTION FOR FUEL HELD IN VEHICLE  
8 TANK.—No tax shall be imposed by subsection (a) on tax-  
9 able liquid held in the tank of a motor vehicle or motor-  
10 boat.

11 (f) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

12 (1) IN GENERAL.—No tax shall be imposed by  
13 subsection (a) on any liquid held on the floor stocks  
14 tax date by any person if the aggregate amount of  
15 liquid held by such person on such date does not ex-  
16 ceed 2,000 gallons. The preceding sentence shall  
17 apply only if such person submits to the Secretary  
18 (at the time and in the manner required by the Sec-  
19 retary) such information as the Secretary shall re-  
20 quire for purposes of this paragraph.

21 (2) EXEMPT FUEL.—For purposes of para-  
22 graph (1), there shall not be taken into account fuel  
23 held by any person which is exempt from the tax im-  
24 posed by subsection (a) by reason of subsection (d)  
25 or (e).

1           (3) CONTROLLED GROUPS.—For purposes of  
2 this section—

3           (A) CORPORATIONS.—

4           (i) IN GENERAL.—All persons treated  
5 as a controlled group shall be treated as 1  
6 person.

7           (ii) CONTROLLED GROUP.—The term  
8 “controlled group” has the meaning given  
9 to such term by subsection (a) of section  
10 1563 of such Code; except that for such  
11 purposes the phrase “more than 50 per-  
12 cent” shall be substituted for the phrase  
13 “at least 80 percent” each place it appears  
14 in such subsection.

15          (B) NONINCORPORATED PERSONS UNDER  
16 COMMON CONTROL.—Under regulations pre-  
17 scribed by the Secretary, principles similar to  
18 the principles of subparagraph (A) shall apply  
19 to a group of persons under common control  
20 where 1 or more of such persons is not a cor-  
21 poration.

22          (g) OTHER LAWS APPLICABLE.—All provisions of  
23 law, including penalties, applicable with respect to the  
24 taxes imposed by chapter 31 or 32 of such Code shall,  
25 insofar as applicable and not inconsistent with the provi-

1 sions of this section, apply with respect to the floor stock  
2 taxes imposed by subsection (a) to the same extent as if  
3 such taxes were imposed by such chapter.

4 **SEC. 6. GASOLINE PRICE MONITORING.**

5 (a) ESTABLISHMENT OF MONITORING PROGRAM.—

6 The Federal Trade Commission shall carry out a program  
7 to monitor gasoline prices in the United States.

8 (b) MONTHLY DETERMINATION OF NATIONAL AVER-

9 AGE PRICE OF UNLEADED REGULAR GASOLINE.—In car-  
10 rying out the program, the Commission shall determine  
11 for each month the national average price of unleaded reg-  
12 ular gasoline at retail stations.

13 (c) REPORTS.—Not later than the 15th day of each  
14 month beginning after the 180th day following the date  
15 of enactment of this Act, the Commission shall—

16 (1) transmit to Congress a report containing  
17 the results of monitoring conducted under the pro-  
18 gram in the preceding month, including the deter-  
19 mination required under subsection (b); and

20 (2) make a copy of the report available to the  
21 public in an electronic format on an Internet website  
22 maintained by the Commission.

23 **SEC. 7. COMMISSION ON GAS PRICE RELIEF.**

24 (a) ESTABLISHMENT.—Not later than three months  
25 after the date of enactment of this Act, the Speaker of

1 the House of Representatives shall establish a Commission  
2 on Gas Price Relief.

3 (b) STUDY AND REPORT.—The Commission shall  
4 conduct a study of the causes of high oil prices and submit  
5 a report to the House of Representatives within 1 year  
6 after the date on which such Commission is established.  
7 The report shall include a determination of revenue raisers  
8 in addition to the repeal of section 179C of the Internal  
9 Revenue Code of 1986 (made by section 3 of this Act)  
10 that would help replenish the Treasury for the loss in rev-  
11 enue resulting from any suspension of the Federal excise  
12 taxes on motor fuels under section 4081(f) of the Internal  
13 Revenue Code of 1986 (as added by section 2 of this Act).

14 (c) MEMBERSHIP.—The Commission shall be com-  
15 prised of 9 Members, as follows:

16 (1) The Chairman of the Committee on Ways  
17 and Means, ex officio.

18 (2) The Chairman of the Committee on Energy  
19 and Commerce, ex officio.

20 (3) One member, appointed by the Chairman of  
21 the Committee on Ways and Means, who shall not  
22 be from the same political party as the Chairman.

23 (4) One member, appointed by the Chairman of  
24 the Committee on Energy and Commerce, who shall

1 not be from the same political party as the Chair-  
2 man.

3 (5) Five members appointed by the Speaker, of  
4 whom at least two shall not be from the same polit-  
5 ical party as the Speaker.

6 (d) CO-CHAIRS.—The Chairman of the Committee on  
7 Ways and Means and the Chairman of the Committee on  
8 Energy and Commerce shall serve as co-chairmen of the  
9 Commission.

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